

AGENDA: September 10, 2002

7.1

CATEGORY: Unfinished Business

DEPT.: Community Development

TITLE: Downtown Parking Permit Fee Update

RECOMMENDATION

1. Adopt A RESOLUTION AMENDING RESOLUTION NO. 16646 – CHANGES TO THE PARKING PERMIT FEE SCHEDULE WITHIN PARKING DISTRICT NO. 2 FOR THE PURPOSE OF IMPROVING THE OPERATIONAL ASPECTS OF THE DISTRICT.
2. Schedule a hearing in September 2004 to consider reinstating parking permit fee increases for calendar year 2005.

FISCAL IMPACT

In 2002, parking permit fees were increased by 50 percent, which resulted in an increase in revenue to the Downtown Parking Maintenance Assessment District of \$28,000.00 for an estimated total of \$62,000.00. These funds are used to support maintenance of the downtown parking lots. The proposed increase in 2003 would add an additional \$28,000.00 to District revenues. By amending this resolution, Council would be deferring this revenue until 2005.

BACKGROUND AND ANALYSIS

In 1979, the City developed a Parking Permit Program as part of the creation of the Downtown Parking Maintenance Operation and Assessment District. Businesses and their employees and customers benefit from this program because it allows parking permit holders to park up to eight hours per day in designated lots and on two levels of the downtown parking structure. There are 790 parking spaces available for parking permit use out of 1,294 total parking spaces in City-owned parking lots in the Parking District.

Generally, parking permit fee revenues have contributed one-third of the funds needed to operate the Downtown Parking District facilities. The remaining revenues are generated from the Downtown Parking Maintenance Operation and Assessment District (Parking District), interest income and property taxes and are used to offset maintenance and capital expenditures for the Parking District.

At the October 9, 2001 City Council meeting, staff brought forth a resolution requesting the approval of all parking permit fee increases for 2002 and 2003 (Attachment 1 – Staff Report).

City Council approved the resolution increasing the parking permit fees for the first time since 1988. For the year 2002, all the fees were increased by 50 percent; for example, the annual permits increased from \$120.00 to \$180.00. For the year 2003, all the fees are scheduled to increase by approximately 30 percent; for annual permits, they would increase from \$180.00 to \$240.00. When these increased fees were approved, the City Council asked to review the fee increases in September 2002 in order to assess the economic climate (Attachment 2—Minutes from the October 9 City Council Meeting).

Given the current downturn in the economy, it is proposed that Resolution 16646 be amended to defer the proposed parking permit fee increase for year 2003 until 2005 and that in September 2005, staff return to Council for further consideration of the fees. In 2005, it is anticipated that the economic conditions will improve. Also, the City Council has authorized staff to proceed with the design of a second downtown parking structure. It is anticipated that this structure will be nearing completion in 2005, and it would be an appropriate time to consider the proposed increase in fees to offset some of the ongoing maintenance costs associated with this second parking structure.

ALTERNATIVES

1. The City Council could not take any action and the proposed increase in the parking permit fees would automatically take effect January 1, 2003 and increase as follows:
 - Annual permit fees from \$180.00 to \$240.00.
 - Monthly permit fees from \$18.00 to \$40.00.
 - Daily permit fees from \$1.15 to \$1.60 per day or from \$28.75 to \$40.00 per book of 25 daily permits.
2. The City Council could defer the increase for only one year, until 2004. This would generate additional revenue that could be used for future downtown parking maintenance. The disadvantage to this approach is that economic conditions may not have improved enough for businesses to absorb this increase.

AGENDA: September 10, 2002

PAGE: 3

PUBLIC NOTICING

In addition to the agenda posting, a notice of a public meeting was sent directly to property owners in the District informing them of the public hearing and the proposed change to the fee structure.

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Attachment: 1. October 9, 2001 Staff Report
 2. October 9, 2001 City Council Meeting Minutes
 3. Resolution